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International drug control

Measures to eliminate international terrorism

Letter dated 20 August 2002 from the Permanent Representative of Fiji to the United Nations addressed to the Secretary-General

On behalf of the countries of the Pacific Islands Forum represented in New York, I have the honour to enclose herewith the communiqué issued by the Heads of State and Government and representatives of the 16 member States of the Pacific Islands Forum at its thirty-third meeting, which was held in Fiji from 15 to 17 August 2002 (see annex).

I would be very grateful if the present letter and the communiqué could be circulated as a document of the General Assembly under items 22 (p), 25, 32, 42, 62, 74, 82, 83, 84, 86, 88, 89, 102, 103 and 162 of the provisional agenda.

(*Signed*) A. **Naidu**
Ambassador
Permanent Representative

Annex to the letter dated 20 August 2002 from the Permanent Representative of Fiji to the United Nations addressed to the Secretary-General

THIRTY-THIRD PACIFIC ISLANDS FORUM

Suva, Fiji Islands
15 - 17 August 2002

FORUM COMMUNIQUÉ*

The Thirty-Third Pacific Islands Forum was held in Suva, Fiji Islands, from 15-17 August 2002 and was attended by Heads of State and Government of Australia, the Cook Islands, Federated States of Micronesia, the Fiji Islands, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, the Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The Forum Retreat was held at the Lagoon Resort in Deuba.

2. The Forum Leaders thanked the Government and people of Fiji for hosting the 2002 meeting and acknowledged with appreciation the warm welcome and generous hospitality provided to all delegations to the Forum and related meetings and for the arrangements made for its meetings.

A. MINISTERIAL REPORTS

Forum Economic Ministers Meeting

3. The Leaders endorsed the Forum Economic Ministers report and their efforts to improve economic management in the Pacific Islands. They agreed that there was pressing need to address the internal economic weaknesses in island economies to better withstand international economic downturns and take advantage of global growth. They also agreed to a need to refocus attention on issues of good governance, use of broad-based consultation and socio-economic impact assessments and improving the business environment. However, they did note that there were concerns regarding the process involved in the FATF listing of non-cooperative countries and territories.

4. The Leaders also called on the OECD to take a much more participatory and flexible approach to the Harmful Tax Initiative, noting the need for assistance to build the compliance capacity of the Pacific Islands States with regards to the OECD and Financial Action Task Force (FATF) requirements.

5. To help minimise the economic costs of environmental problems, Leaders welcomed ongoing work by the South Pacific Applied Geo-Science Commission on disaster mitigation and risk management. Leaders welcomed the proposed focus at the next Economic Ministers Meeting

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on "Economic and Social Development and the Environment". Leaders also endorsed Council of Regional Organisations in the Pacific (CROP) work on renewable energy and called for continuing exploration of renewables for the region.

6. Leaders also reiterated the concerns expressed by Ministers over the ban placed on kava products from the region and called for the development of a regional response, and international support to regional efforts to address these concerns.

Forum Aviation Ministers Meeting (FAMM)

7. The Leaders endorsed the Forum Aviation Ministers' report and progress in their efforts to improve the efficiency and safety of air transport within the region. They looked forward to freeing up air routes within the region for regional carriers and therefore reconfirmed their support of the Pacific Islands Air Services Agreement (PIASA) negotiations currently being undertaken by the Aviation Officials from the Pacific Island Countries.

8. Leaders also welcomed the establishment of the new Pacific Aviation Safety Office (PASO) in Vanuatu for the purpose of improving flying operations, airworthiness, airports and security in member countries. Leaders agreed that this important initiative required strong regional support. Leaders also noted the importance of effective participation by Pacific Island Contracting States of the International Civil Aviation Organisation in international aviation meetings.

Forum Communications Ministers Meeting (FCMM)

9. The Leaders endorsed the Forum Communication Ministers report on implementation of the 1999 Forum Communications Action Plan, noting that progress to date had been slow. In noting the main reasons for the delay, including weak domestic capacities and competing priorities, the Leaders gave strong support to the proposed Ministerial actions to facilitate implementation. These included ongoing stocktake and the adoption of the Pacific Islands ICT Policy and Strategic Plan.

Forum Ministerial Committee on New Caledonia

10. Leaders endorsed the report of the Forum Ministerial Committee on New Caledonia and in particular welcomed the establishment of the institutions as provided for under the Noumea Accord. They reiterated their recognition of the rights of the people of New Caledonia to self-determination and reaffirmed their support for continuing dialogue with all communities in New Caledonia. Leaders also encouraged and urged all parties to continue to maintain their commitment to the full implementation of the Noumea Accord.

11. The Forum also agreed to continue to bring to the attention of the United Nations, the question of New Caledonia's political future. It further agreed to support training of the Kanak people through the Kanak Training Fund and to making available training awards in their respective institutions for the training of Kanak students.

12. Leaders further encouraged greater integration and participation of New Caledonia in the Forum region and endorsed the Forum Ministerial Committee's continuing role in monitoring developments in the Territory.

B. REGIONAL SECURITY AND GOVERNANCE

13. Leaders considered the regional security challenges faced over the past twenty-four months in member countries, including from transnational organised crime, the recent influx of boat people into the region and the September 11, 2001 terrorist acts in the United States. Leaders noted the United Nations response to terrorism through the mandatory provisions of UNSCR 1373 and the FATF 8 Special Recommendations.

Nasonini Declaration

14. To highlight further the region's concerns over and response to transnational crime and terrorism, the Forum agreed to adopt the Nasonini Declaration on Regional Security attached at Annex 1.

Biketawa Declaration

15. The Leaders were pleased to note the progress in the implementation of the Biketawa Declaration including the first ever Forum Elections Observer Mission to observe the 2001 Solomon Islands elections and to support the democratic process there. This, together with an Eminent Persons Group visit to Solomon Islands this year to report on possible areas of assistance by the Forum, signals an increasingly proactive role by the Forum in maintaining peace and stability in the region.

16. Forum Leaders noted that good governance within each country, and at the regional and international levels, is now recognized as another key prerequisite for sustainable development. Forum Leaders further noted the Eight Principles of Accountability for economic and financial management and the Biketawa Declaration as evidence of the priority the Forum places on good governance. The Leaders also welcomed work currently being done to develop a model leadership code for small states and looked forward to receiving the draft Regional Leadership Code for their consideration at their 2003 meeting.

Solomon Islands

17. Leaders endorsed the Report of the Forum Eminent Persons Group and agreed to give an open remit to the Group to monitor and advise on developments in Solomon Islands. They also mandated the Secretariat to mobilise regional action and funds to support Solomon Islands, economically, politically and socially.

Forum Presiding Officers Conference

18. The Forum endorsed the outcomes of the Forum Presiding Officers Conference, recognising the special role legislatures in member countries played in the political and economic development of their countries and in promoting good governance.

19. Leaders also agreed to support the proposed Pacific ACP Parliamentarians Conference and to discuss the future of the initiative at the next Pacific ACP Leaders meeting.

People Smuggling

20. Leaders urged greater international cooperation, including active participation in regional and multilateral fora, information sharing, negotiating appropriate bilateral memoranda of understanding and developing capacity to reduce irregular migration and combat people smuggling.

21. The Forum encouraged members to develop national strategies to combat people smugggling including the development of appropriate legislative frameworks and law enforcement capacity in consultation with the Secretariat.

Regional Illicit Drug Control

22. Leaders expressed concern about the inability of current illicit drug legislation within the region to provide a common base for law enforcement agencies to operate from both the national and regional basis. Leaders commended the work undertaken by Oceania Customs Organisation, South Pacific Chiefs of Police Conference and the Forum Secretariat sub-Committee on developing a regional illicit drug control legislation. The Forum encouraged all Forum Island Countries to examine the possibility of enacting the legislation in its entirety noting that jurisdictions have to vet and scrutinise the draft in accordance with their own procedures.

C. ENVIRONMENT AND CONSERVATION

Pacific Islands Regional Ocean Policy

23. Leaders recalled their 1995 decision urging members to become parties to the 1982 United Nations Convention on the Law of the Sea (UNCLOS) at the earliest opportunity. They also welcomed recent developments in the areas of Oceans and Legislation as a platform for developing an Action Plan in this important area for the region and approved the "Pacific Islands Regional Ocean Policy" (at Annex 2). Leaders also called for follow-up action plans for the region and for members individually in this area. Leaders noted with appreciation New Zealand's offer to provide assistance to this initiative. In light of the principles set forth in that Policy, Leaders further endorsed full participation of Forum members in the upcoming Third World Water Forum.

Climate Change and Sea Level Rise

24. Leaders expressed their deep concerns about the adverse impacts of climate change, climate variability and sea level rise on all members of the Pacific Island Forum, in particular small and low lying islands that are already experiencing extreme hardship. They particularly welcomed the strengthening of regional coordination and support in addressing this concern.

25. Leaders also noted the authoritative nature of the Inter-governmental Panel on Climate Change Third Assessment Report issued in 2001, and called for urgent action to reduce greenhouse emissions and for further commitments in the future by all major emitters. They emphasised the need for all nations to commit to a global effort to reduce greenhouse gas emissions and the adverse impacts of climate change, taking into account the special circumstances of Small Island Developing States (SIDS). Leaders also noted that Forum members are taking significant domestic action to mitigate climate change.

26. Leaders encouraged the United States and all other major emitters to contribute towards global efforts to address climate change. Leaders again encouraged all parties to the United Nations Framework Convention on Climate Change to ratify the Kyoto Protocol which is a significant first step forward on a path to ensuring effective global action to combat climate change; and noted that, while Australia was not currently disposed to ratify the Protocol, it will continue to develop and invest in domestic programmes to meet the target agreed to at Kyoto for Australia. The Forum welcomed the acceptance of the Protocol by Japan and approval by the European Community.

27. Leaders supported the Climate Change Roundtable process and noted the progress to develop an integrated and programmatic approach, including a comprehensive review in the context of CROP working arrangements, of all issues, activities and relevant outcomes of the World Summit on Sustainable Development related to climate change, climate variability and sea level rise.

28. The Forum recognised the importance of mainstreaming adaptation within finance and economic planning at their national level and called for mobilisation of resources for adaptation and the consideration of all the implications of adaptation needs, options and requirements.

29. Leaders further recognised that the failure at the international level to tackle, in a timely manner, the causes of climate change has strengthened the need to urgently implement adaptation measures, for which a framework was created in the Marrakesh Accords.

30. Leaders welcomed the new initiative announced by Australia to strengthen the capacity of Forum Island Countries in the area of climate prediction.

Land and Coastal Resource Management

31. The Forum acknowledged that daily activities within communities in SIDS could impact on their vulnerability, and noted the need to plan for future coastal developments in order to manage the adverse impacts of climate change. Leaders supported the development

of a framework for addressing environmental vulnerability and the day-to-day management of land and coastal resources, including the introduction of measures for monitoring at the national level and where appropriate at sub-national levels. These could include the development of Comprehensive Hazard And Risk Management (CHARM) plans to help monitor such activities on land and in coastal areas.

World Summit on Sustainable Development (WSSD)

32. Leaders welcomed the cooperation among Pacific countries throughout the WSSD preparatory process which has resulted in the successful conclusion of a section on sustainable development of SIDS concerns. They encouraged member country participation at the highest level in the World Summit on Sustainable Development next month in South Africa and agreed to support the position of SIDS through protecting and enhancing the expression of their concerns. Leaders also underlined the importance of practical initiatives from the WSSD to implement sustainable development in the region.

Shipment of Radioactive Materials

33. Forum Leaders welcomed the growing recognition in international fora such as at the recent ACP Summit in Nadi, in IAEA and at the NPT PrepCom, of the concerns of SIDS and other coastal States regarding the shipment of radioactive material and encouraged Forum members to continue to constructively and vigorously pursue their concerns in appropriate fora. They also expressed their disappointment that shipping states did not meet with Forum members prior to the August 2002 Leaders meeting, but notes there is agreement that the meeting will take place before the end of the year and expresses the hope that significant progress will be made at that meeting taking account of the proposals that Forum members have put forward for discussion.

34. While noting the reservation by Australia, the Forum reiterated its continuing serious concerns over the shipment of radioactive materials through the region; called on shipping States to meet with Forum members as soon as possible and to mandate their representatives, at a high political level, to seriously consider and progress the proposals that Forum members have developed for innovative arrangements and assurances. These proposals include acceptance by shipping States of full responsibility and liability for compensation for any damage which may result directly or indirectly from transport of radioactive materials through the region; the assurance by those States that the highest possible safety standards are met; and the appropriate advanced notification and consultations by shipping States with States in the region through which the shipments pass, taking into account security considerations and the legitimate interests of Forum member countries.

Disarmament, Non-proliferation

35. The Forum endorsed the Secretariat's continued support to Forum participation in the NPT Review process, including the Review Conference in 2005, and endorsed initiatives for a Nuclear Weapon Free Southern Hemisphere as advanced at the United Nations General Assembly.

36. Leaders urged universal ratification of the CTBT particularly by the outstanding Annex 2 States and encouraged ratification of or accession to the Chemical Weapons Convention.

37. The Forum also encouraged participation by Forum members at the 2003 IAEA International Conference on the Safety of Transport of Radioactive Material.

South Pacific Nuclear Free Zone Treaty

38. The Forum noted the Secretary General's report on the South Pacific Nuclear Free Zone Treaty and called on the United States to ratify the Protocols to the Treaty as a means of enhancing global and regional peace and security, including global nuclear non-proliferation.

Republic of Marshall Islands Radioactive Contamination

39. The Forum recognized the special circumstances pertaining to the continued presence of radioactive contaminants in the Republic of the Marshall Islands, and reaffirmed the existence of a special responsibility by the United States towards the people of the Marshall Islands, who had been, and continue to be adversely affected as a direct result of nuclear weapons test conducted by the United States of America during its administration of the islands under the UN Trusteeship mandate.

40. The Forum again reiterated its call on the United States of America to live up to its full obligations on the provision of adequate and fair compensation and the commitment to its responsibility for the safe resettlement of displaced populations, including the full and final restoration to economic productivity of all affected areas.

South Pacific Whale Sanctuary

41. While noting the strong reservations of some members, the Forum noted recent developments in multilateral, regional and domestic whale protection and invited members to declare their respective waters as whale sanctuaries, if they have not already done so; welcomed the declaration of whale sanctuaries by Australia, the Cook Islands, Niue and Papua New Guinea and the fact that whales are also protected in the Cook Islands, New Zealand, Samoa and Tonga under their national legislation; and also noted the need for increased scientific knowledge concerning the benefits of a whale sanctuary.

D. TRADE AND ECONOMIC ISSUES

Trade and Investment

42. Leaders reiterated their commitment to higher performance in trade and investment and economic development and, in this regard, urged those that have not ratified the Pacific Island Countries Trade Agreement (PICTA) and the Pacific Agreement for Closer Economic Relations

(PACER) agreements to do so as soon as possible so that the trade facilitation and technical assistance programme can be implemented.

43. In the meantime the Forum Leaders were pleased to note the continuing regional efforts to promote Pacific products in overseas markets including through the Forum trade offices in Australia, Japan, New Zealand and, as of this year, in the Peoples Republic of China. They therefore welcomed the opening of the Trade Office in Beijing. To enhance trade relations with the United States of America, Leaders directed the Forum Secretariat to study and report on the benefits of current market access conditions enjoyed by individual Forum Island Countries and suggest ways of improving future trade relations.

44. Leaders noted that as a result of globalization, external factors have become critical in determining the success or failure of Pacific Island countries in their national and regional efforts. They also noted that the potential from globalization to promote sustainable development for all remains to be realised.

45. The Leaders therefore agreed that the Forum's approach to the global arena should continue to focus on creating a level playing field by improving corporate and international governance and providing for special and differential treatment for small and vulnerable island economies. In this regard, the Leaders were pleased to note the excellent progress made in establishing a permanent office for the Forum in Geneva to facilitate the effective participation of Forum island governments in the World Trade Organization and multilateral trade in general. The Leaders thanked the European Union for the funding and the Government of Fiji Islands for facilitating the accreditation of the Forum to the WTO.

Fisheries

46. Leaders reiterated their determination that the region's tuna resources must be managed on a sustainable basis for future generations.

47. Leaders noted the concern of some member countries over the huge amount of small tuna and other non-targeted species being caught and destroyed through the purse seining fishing method. This is evidenced by the observed decline in the biomass of tuna as a result of the persistently low replacement rate over the years, coupled with the drastic decline of artisanal tuna caught. As part of the Forum's precautionary approach to the safeguarding of its ocean resources, Leaders encouraged the distant water fishing nations to consider management measures such as increasing the mesh size netting around the part of the purse seine (known as the sack) to a size that would allow the catch of the juvenile tuna and other small fish to escape. Leaders referred this matter to the Forum Fisheries Agency and the Secretariat of the Pacific Community.

48. Leaders warmly welcomed the successful conclusion of the negotiations with the United States of America for an extension of Multilateral Fisheries Treaty to 2013 and the satisfactory outcome of the second Preparatory Conference in Madang, Papua New Guinea, and progress made in the implementation of the Western and Central Pacific Tuna

Convention. Leaders urged all members who have not done so to ratify or accede to the Convention as soon as possible.

49. They also welcomed the progress in the establishment of the Western and Central Pacific Tuna Commission and the decision by the Forum Fisheries Committee (FFC) to support the bid by the Federated States of Micronesia (FSM) to host the Tuna Commission Headquarters.

50. The Leaders also welcomed Tokelau as the newest member of the Forum Fisheries Agency.

E. SOCIAL DEVELOPMENT ISSUES

Population and Development

51. Leaders recalled that at their 2001 meeting, they expressed concerns over increasing problems for countries in the region arising from rapid population increases. Current trends indicate that most members can expect continuing population growth for at least the next three decades. This, in association with the spread of modernization, will generate a greater demand on limited resources, which could further erode the living standards of its people.

52. Given continued population growth and weak GDP growth, Leaders called for a more vigorous implementation of the Forum Economic Action Plan and the Forum Basic Education Action Plan in order to improve the prospects of Pacific Islanders seeking sustainable livelihoods through private sector development, and the integration of economic strategies with human resource development and environmental protection.

HIV/AIDS

53. The Forum expressed its deep concern at the threat posed by HIV/AIDS and called for additional measures at the national and regional levels to address this. Leaders directed the Secretariat to encourage, through other regional and international organisations and stakeholders, the development of a Pacific Regional Plan of Action against HIV/AIDS, including an effective resourcing mechanism. They also endorsed a concerted regional approach to accessing global funds such as the Global Fund to Fight AIDS, Tuberculosis and Malaria.

54. Leaders expressed their appreciation to Australia for the assistance provided to the region to address this problem.

F. SMALLER ISLAND STATES

55. The Leaders noted the decisions of the Smaller Island States Summit as summarized in its report at Annex 3.

G. OBSERVERSHIP

East Timor

56. Leaders welcomed East Timor as a Special Observer, with equivalent rights of an observer.

H. EXTERNAL RELATIONS

Application by India for Post-Forum Dialogue Partner Status

57. The Forum noted the continuing strong interest in the affairs of the Pacific Islands Forum by partners of the region and welcomed India as the newest Post-Forum Dialogue Partner, to take effect at the 2003 Post-Forum Dialogue Meetings.

West Papua

58. Forum Leaders welcomed the passing of a special autonomy law for Papua, but urged Indonesia, the sovereign authority, to ensure its full and timely implementation. Leaders expressed concern about continuing violence in Papua and called on all parties to protect and uphold the human rights of all residents in Papua and to resolve differences by peaceful means.

I. APPRECIATION

59. The Forum commended the outgoing Chairman, HE Mr Rene Harris, President of the Republic of Nauru, and his Government for his leadership of the Forum over the past year.

J. VENUE

60. The Forum Leaders welcomed New Zealand's offer to host the 2003 Forum and related meetings in mid August 2003.

Annex 1

NASONINI DECLARATION ON REGIONAL SECURITY

Forum Leaders recalled their commitment in the 1992 Honiara Declaration on Law Enforcement Cooperation, the 1997 Aitutaki Declaration and the Biketawa Declaration adopted in 2000 to act collectively in response to security challenges including the adverse effects of globalisation such as transnational crimes, and unlawful challenges to national integrity and independence.

2. In this regard, Leaders recalled their commitment to good governance practices at all levels as a key fundamental strategy for addressing some of the difficult and sensitive issues underlying the causes of tension and conflict in the region.

3. Leaders expressed their concern about the recent heightened threat to global and regional security following the events of September 11th 2001, in particular, those posed by international terrorism and transnational crime.

4. Recognising the need for immediate and sustained regional action in response to the current regional security environment, Forum Leaders affirmed the importance of the Honiara Declaration, in particular, as providing a firm foundation for action to address these new and heightened threats to security in the region.

5. Forum Leaders underlined their commitment to the importance of global efforts to combat terrorism and to implement internationally agreed anti-terrorism measures, such as the United Nations Security Council Resolution 1373 and the Financial Action Task Force Special Recommendations, including associated reporting requirements.

6. The Forum Leaders reaffirmed that law enforcement cooperation, backed by a strong common legislative base, should remain an important focus for the region and welcomed progress which has been made in regional law enforcement cooperation under the auspices of the relevant regional bodies.

7 Forum Leaders noted however, that, while some progress had been made in the implementation of the Honiara Declaration, further urgent action was required of some member states and recommitted to full implementation of relevant legislation under the Honiara Declaration by the end of 2003.

8. Leaders underlined the importance to Members of introducing legislation and developing national strategies to combat serious crime including money laundering, drug trafficking, terrorism and terrorist financing, people smuggling, and people trafficking in accordance with international requirements in these areas, taking into account work undertaken by other bodies including the UN and the Commonwealth Secretariat.

9. Forum Leaders tasked the Forum Regional Security Committee to review regional implementation of UNSCR 1373, the FATF Special Recommendations and the Honiara Declaration and report back to the Forum at next year's meeting on these subjects.

Annex 2

PACIFIC ISLANDS REGIONAL OCEAN POLICY

VISION

A healthy Ocean that sustains the livelihoods and aspirations of Pacific Island communities.

THIS IS OUR OCEAN

1. The care of the ocean is the responsibility of all people. The oceans are inter-connected and interdependent, covering some seventy per cent of the world's surface. They are the last great frontier and their conservation and sustainable use is vital to the well being and survival of the human race.

2. Pacific Island communities inhabit the islands scattered throughout an Ocean across which some of the most inspiring migrations in human history have taken place, over many thousands of years. The Ocean unites Pacific Island communities more than anything else. It has supported generations of Pacific Island communities – not only as a medium for transport but also as a source of food, tradition and culture.

3. Our Ocean, coastal and island ecosystems contain high biological diversity that has sustained the lives of Pacific Island communities since first settlement. It contains the most extensive coral reefs in the world, globally important fisheries, significant seabed mineral resources and high number of threatened species. These ecosystems may contain many undiscovered resources of potential use to humankind.

4. Many thousands of islands and atolls are entirely coastal in nature.

5. The Ocean is not only a lifeline, it is also a source of hazard. These hazards can be increased by the impact of human activities both within and external to the Pacific Islands region.

6. Our Ocean provides the greatest opportunities for economic development. Responsibly managed, it has the potential to support Pacific Island communities in perpetuity.

7. As Pacific Island communities we are acutely aware that over ninety eight per cent of the 38.5 million square kilometres of the Earth's surface over which we have direct influence is ocean. But concerns for the long-term health of the Ocean are not confined to the areas covered by sovereign rights, they extend equally to adjacent areas of high seas.

8. Our commitment to the development of a common Policy for this Ocean stems from our collective awareness of an increasing number and severity of threats to its long-term integrity. This Policy presents a framework for the sustainable development, management and conservation of the resources and habitats within the region. It provides guiding principles for individual and collaborative action that will promote responsible stewardship of this large Ocean for regional and global benefit.

9. This policy is intended to promote the Pacific region as an ocean environment in support of sustainable development. It is not a legal document, however its guiding principles are founded on international law, as reflected in the United Nations Convention on the Law of the Sea and other international and regional agreements.

10. These guiding principles are: improving our understanding of the Ocean; sustainably developing and managing use of Ocean resources; maintaining the health of the Ocean; promoting the peaceful use of the Ocean; and creating partnerships and promoting co-operation.

11. We invite others to recognise our commitment to these guiding principles and support our strategies to implement this Policy to help ensure our Ocean, coasts and islands remain healthy and sustains the livelihoods and aspirations of Pacific Island communities.

WHY A REGIONAL OCEAN POLICY?

12. The need for a Policy is based on our collective awareness of the transboundary and dynamic nature of our Ocean, the increasing number and severity of threats to its long-term integrity, and the reality that sustainable economic and social development will be dependent on wise use of the Ocean and its resources. It is also based on our awareness of the potential for fragmentation of programmes and for conflicting commitments in different sectors as ocean-related activities increase. This requires increased regional collaborative arrangements among Pacific Island communities.

PACIFIC ISLANDS REGION

13. For the purpose of this Policy, the "region" includes that part of the Pacific Ocean in which the island countries and territories (Pacific Communities), that are members of the organisations comprising the Council of Regional Organisations of the Pacific (CROP) are found. As such, the extent of the region includes not only the area within the 200 nautical miles Exclusive Economic Zone (EEZ) boundaries circumscribing these island countries, but also the ocean and coastal areas that encompass the extent of the marine ecosystems that support the region.

14. The "Ocean" is defined to include the waters of the ocean, the living and non-living elements within, the seabed beneath and the ocean-atmosphere and ocean-island interfaces.

15. Pacific Islands are often referred to as Small Island Developing States. They may also be thought of as Large Ocean Developing States.

Capacity Building

16. In order to replenish and sustain our knowledge base, it is necessary to generate new knowledge about the oceans upon which our way of life depends. Fundamental to the sustained generation of new knowledge is the continuing education of a cadre of scientists and policy makers. Educating and training people within the region is the best strategy for ensuring the continuity of marine understanding and replenishment of knowledge.

Vulnerability

17. Pacific Island communities are particularly vulnerable to certain environmental, economic and social circumstances.

18. Environmental factors include: climate variability, climate change and sea-level rise; immediate natural hazards such as earthquakes, tsunamis, and volcanic events, fragile ecosystems and natural resource bases, and geographic isolation.

19. Economic factors include: limited land area and freshwater resources; limited local markets; high import dependencies; fluctuating world prices for commodities; and isolation, including large distances to world markets.

20. Social factors include: population growth & distribution; human and food security; external influences, cultural dilution and loss of traditional knowledge and practices.

Rights and responsibilities

21. The Ocean has been the major influence in the history of Pacific Island communities. Throughout the region, customary association with the sea forms the basis of present day social structures, livelihoods and tenure systems and traditional systems of stewardship governing its use.

22. International law and instruments confer rights on Pacific Island communities relating to the use of the Ocean and its resources. With these rights come responsibilities, especially for sustainable development, management and conservation of the ocean's living resources and for the protection of the ocean environment and its biodiversity.

23. Pacific Island communities have established national laws, based on international principles and customary practices, which provide for responsible management and use of the Ocean and its resources within their areas of jurisdiction.

24. The Pacific communities will work with other partners to promote the application of compatible policies by those partners in areas subject to their jurisdiction and surrounding waters, and with all other countries having interests in the region.

25. Island communities respect the rights and interests of others to participate in legitimate activities. With this sharing comes the expectation that they will meet their obligations and responsibilities to our Ocean.

26. This Policy promotes good stewardship which refers to active engagement by communities in caring for the oceans. It draws upon ideas, policies, institutions and enforcement procedures needed to protect the oceans and coasts from abuse including the effects of land-based activities.

VISION

A healthy Ocean that sustains the livelihoods and aspirations of Pacific Island communities.

GOAL

27. The goal of this Policy is to ensure the future sustainable use of our Ocean and its resources by Pacific Islands communities and external partners.

28. The Guiding Principles to achieve this Goal are:

- Improving our Understanding of the Ocean
- Sustainably Developing and Managing the use of Ocean Resources
- Maintaining the Health Of the Ocean
- Promoting the Peaceful Use of the Ocean
- Creating Partnerships and Promoting Co-Operation

PRINCIPLE 1- IMPROVING OUR UNDERSTANDING OF THE OCEAN

29. Contemporary and traditional understanding of the ocean provides the basis for sustainable use of the ocean and its resources, for the amelioration of pollution and harmful practices and for the prediction of weather, climate and ocean variability.

30. Resource management approaches based purely on scientific information have had limited success in the region over the last 50 years. The cost of obtaining scientific information, in all but a few highly commercialised systems, is beyond the capacity of many islands. As a result resource managers in the Region advocate precautionary management approaches that are more robust where comprehensive scientific understanding and intensive monitoring are difficult. This includes an enhanced role for communities and customary resource owners in the development and application of local management arrangements for local resources.

31. Whilst community approaches are essential for implementing effective resource management in many cases, the long-term maintenance of exploited ecosystems, particularly transboundary systems, still requires better science. Increased understanding of ocean and coastal processes and ecosystems is critically dependent on shared access to global and regional developments in science and technology, to enable research, exploration and development of both living and non-living marine resources, and on economic systems that can pay for long-term monitoring and observation. The result will be improved ability to effectively conserve marine biological diversity and predict the impact of climate variation and human use patterns on the health of the ocean.

Strategic Actions

- To identify and prioritise information needs and the co-operative mechanisms for acquiring, accessing and disseminating information.

- To strengthen national and regional capacity, encourage partnerships between regional and international organisations, and the public and private sectors, to improve our understanding of the ocean.
- To facilitate access to this information, encourage its wide application in the implementation of this Policy and any compatible national ocean policies that may be developed in association with it.
- To have regard for traditional knowledge and its potential to contribute to better understanding the ocean and to the effective management of resources.
- To promote further formal education and training of local people in marine science and marine affairs disciplines.

PRINCIPLE 2 – SUSTAINABLY DEVELOPING AND MANAGING THE USE OF OCEAN RESOURCES

32. Pacific Island communities are heavily reliant on the wide range of resources and services that the Ocean provides for their social, cultural and economic security. This includes not only the existing extractive uses of its living and non-living resources but also the non-extractive uses such as transport and communication, waste disposal, recreation and tourism, and cultural activities. New research, technologies and markets are creating opportunities for accessing and using the ocean and its resources.

33. To safeguard Pacific Island communities and maintain the health of our Ocean in perpetuity, it is imperative that we adopt a precautionary management approach to ensure the use of the Ocean and its resources are sustainable.

Strategic Actions

- To identify, prioritise and implement resource development and management actions and regimes, in accordance with the precautionary approach;
- To encourage equitable sharing of resource access and benefits at local, national and regional levels;
- To engage, as appropriate, local communities and other stakeholders in resource management decision making;
- To build capacity of Pacific Island communities for sustainable resource development and management;
- To establish and protect traditional knowledge rights.
- To establish and protect intellectual property rights.

PRINCIPLE 3 - MAINTAINING THE HEALTH OF THE OCEAN

34. The health and productivity of our Ocean is driven by regional-scale ecosystem processes. It is dependent upon preserving ecosystem integrity and minimising the harmful impact of human activity.

35. Threats to ocean and coastal health and productivity, reflected in a degradation in water quality and resource depletion include accidental and deliberate dumping of fuels, chemicals and ballast water from ships, aircraft and satellite launches, and non sustainable resource use.

36. Pollution from the land contributes up to eighty per cent of all ocean pollution and is a major threat to the long-term health of nearshore systems affecting ecological processes, public health and social and commercial use of ocean resources.

Strategic Actions

- To adopt an integrated transboundary approach, through harmonised institutional arrangements, including existing international and regional agreements, to managing marine ecosystems for long-term sustainable benefit.
- To incorporate sound environmental and social practices into economic development activities.
- To protect and conserve biological diversity of the ocean ecosystem at local, national and regional scales.
- To reduce the impact of all sources of pollution on our Ocean environment.

PRINCIPLE 4 – PROMOTING THE PEACEFUL USE OF THE OCEAN

37. Peaceful uses of the Ocean have environmental, political, social economic, and security dimensions. Promoting peaceful use means discouraging and reducing unacceptable, illicit, criminal, or other activities contrary to regional and international agreements. Such activities threaten the major source of livelihood for Pacific Island communities.

Strategic Actions

- To ensure that all activities carried out in our Ocean meet all relevant international and regional standards, and do not cause environmental damage, social or economic hardship in the region.
- To seek remedial action in the event of an incident resulting from non-peaceful use of the Ocean.
- To ensure that the ocean is not used for criminal activities nor for other activities that breach local, national or international laws.
- To encourage co-operation amongst law enforcement agencies.

PRINCIPLE 5 – CREATING PARTNERSHIPS AND PROMOTING CO-OPERATION

38. Partnerships and cooperation provide an enabling environment and are essential for the sustainable management of our Ocean. As a group Pacific Island communities achieve economies of scale, a united voice for international advocacy, a regional power bloc with increased international

influence and a forum for developing coordinated action on ocean issues of mutual interest or with transboundary implications.

39. In pursuit of creating partnerships and promoting cooperation, Pacific Island communities will seek to maintain sovereign rights and responsibilities in managing, protecting and developing the Ocean.

Strategic Actions

- To foster partnerships and cooperation in the areas of security, monitoring, enforcement and the sustainable use of resources.
- To make fullest possible use of regional and international partnerships and collaboration, such as regional organisations, ocean-related treaties, and bilateral arrangements as appropriate.
- To have regard for the ocean policies of ocean jurisdictions adjoining our own, and advocate that their policies have regard for this Policy.
- To encourage Pacific Island communities to develop national ocean policies that complement and are consistent with this Policy.

FUTURE

40. This Policy is the result of a regional effort to achieve responsible ocean governance. It is based on existing international and regional agreements that establish a broad framework for regional cooperation and coordination to sustainably manage and conserve the ocean ecosystem in the region. It provides the basis for the harmonisation of national and regional actions, for the next five years. The implementation process will require a commitment by all stakeholders.

41. 41. This Policy articulates guiding principles and strategic actions that will define a regional Pacific Ocean Initiative. The Initiative will include a Pacific Islands Regional Ocean Summit to define the status of current knowledge and activities, and a review process to define progress, and will provide an integrated framework to include existing programmes, and identify and prioritise future Action Plans.

Annex 3

SMALLER ISLAND STATES
ELEVENTH SIS LEADERS' SUMMIT

Suva, Fiji
15 August 2002

SUMMARY OF DECISIONS

The Forum's Smaller Island States (SIS) Summit was held on 15 August 2002 in Suva, Fiji. Leaders from the Cook Islands, Kiribati, and Tuvalu attended, together with representatives from Nauru, Niue and the Republic of Marshall Islands. The meeting was chaired by the President of Kiribati. Leaders welcomed attendance by CROP organisations and the representatives of the Pacific Forum Line and the Association of South Pacific Airlines.

Air Services

2. The Summit resolved to address the issue of the inadequacy of international air links among themselves through cooperative actions and, in particular, reaffirmed cooperation among Central Pacific nations on the establishment of a sub-regional airline.

Small Grant Funds

3. Leaders of the SIS thanked donors for their support of assistance programmes addressing the special concerns of SIS members. SIS Leaders expressed their appreciation for the provision of the Taiwan/ROC-PIFS Scholarship Scheme and encouraged Taiwan/ROC to increase their support for the Scheme. They noted the importance of scholarships to the overall development of the region and called upon donors to give consideration to support such schemes.

Issues for Forum

4. The Summit considered the issues that were being brought to the attention of Forum. Leaders agreed to focus on issues of particular concern, as set out below.

Pacific Islands Regional Ocean Policy

5. SIS Leaders endorsed the vision of the Pacific Islands Regional Ocean Policy as one that will ensure the future sustainable use of our Ocean and its resources by Pacific islanders and external partners. They welcomed the intention to develop an action plan to implement the guiding principles for a healthy ocean that sustains the livelihoods and aspirations of the island communities.

Climate Change and Sea Level Rise

6. The Leaders of the SIS highlighted the threat to their homes, lives, and culture that climate change has caused. They expressed continued profound disappointment and grave concern at the decision of the United States to reject the Kyoto Protocol, but warmly welcomed the acceptance of the Protocol by Japan and approval of the Protocol by the European Community. They urged all Parties

(of the UNFCCC) to urgently ratify the Protocol, which is a significant first step forward on a path to ensuring effective global action to combat climate change.

7. The SIS Leaders agreed that the only way to address the issue of climate change globally was through commitment by all UNFCCC Parties to the Kyoto Protocol rather than through any other global effort or equivalent means. The Summit issued the attached Leaders' statement on climate change.

Land and Coastal Resource Management

8. The SIS Leaders noted the importance of land and coastal resource management issues to be considered by Forum in building resilience of Pacific Island Communities.

Transport of Radioactive Materials

9. Reiterating their continuing and grave concerns over the shipment of radio active materials through the region, SIS Leaders expressed their disappointment that shipping states had not met with Forum members prior to the August 2002 meeting. The Summit called on shipping states to meet with Forum members as soon as possible to seriously consider accepting full responsibility and liability for compensation for any damage which may result directly or indirectly from transport of radioactive materials through the region; and ensuring the highest possible safety standards are met and the appropriate advanced notification and consultations with states in the region through which the shipments pass.

Population and Development

10. In the context of continued population growth but weak GDP growth, SIS Leaders called for a more vigorous implementation of *Forum Economic Action Plans* and the *Forum Basic Education Action Plan* in order to improve the prospects of Pacific Islanders seeking sustainable livelihoods. These action plans promote sustainable development through the enhancement of the integration of economic strategies for development, including the growth of the private sector, with human resource development and environmental protection.

HIV/AIDS

11. The Summit expressed deep concern at the threat posed by HIV/AIDS and strong support for additional measures at the national and regional levels to address this threat. They endorsed a concerted regional approach to accessing global funds such as the Global Fund to Fight AIDS, Tuberculosis and Malaria.

9th European Development Fund

12. SIS Leaders expressed their desire to see the Pacific Regional Indicative Programme (PRIP) encompass tourism.

Northern Group USP Initiative

13. The Summit endorsed an initiative that called for the establishment of a modest USP Northern Region Campus in the Republic of the Marshall Islands. This initiative would assist in meeting the human resource development needs of the SIS, especially through the provision of pre-tertiary and early-childhood teacher training programmes.

Attachment

Statement on Climate Change by Smaller Island States

On the occasion of their annual Summit held on 15 August 2002 in Suva, Fiji, the Heads of State and Heads of Government of the Cook Islands, Kiribati, and Tuvalu, and representatives of Nauru, Niue, and the Republic of the Marshall Islands, comprising the Smaller Island States of the Forum:

(1) noted the authoritative nature of the Third Assessment Report of the Intergovernmental Panel on Climate Change issued in 2001;

(2) expressed their continuing grave concerns about the current and potential diverse impacts of climate change, climate variability and sea level rise on all Smaller Island States members;

(3) called for urgent action to reduce greenhouse gas emissions and for further commitments in the future by all major emitters;

(4) emphasised the need for all nations to commit to the global effort to reduce greenhouse gas emissions and the adverse impacts of climate change, taking into account the special circumstances of small island developing States;

(5) agreed that the only truly effective way to address the issue of climate change globally was through full commitment by all UNFCCC Parties to the objectives of the Convention and the full implementation of the Kyoto Protocol;

(6) expressed profound disappointment at the decision of the US to reject the Kyoto Protocol;

(7) urged all Parties of the UNFCCC to urgently ratify the Kyoto Protocol which is a significant first step forward on a path to ensuring effective global action to combat climate change; and

(8) warmly welcomed the acceptance of the Protocol by Japan and approval of the Protocol by the European Community.

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Item 90 of the provisional agenda*
Operational activities for development

Pledging mechanisms to fund operational activities for development of the United Nations system

Report of the Secretary-General**

Summary

The present report responds to paragraph 26 of General Assembly resolution 56/201 of 21 December 2001 on the triennial comprehensive policy review of operational activities for development of the United Nations system, which requested the Secretary-General to submit for consideration at the fifty-seventh session of the Assembly, a report presenting options alternative to the current modalities of the annual United Nations Pledging Conference for Development Activities, including a regular pledging event. After analysing the modalities and functioning of the annual Pledging Conference and its effectiveness, the report addresses the funding sessions convened under the multi-year funding frameworks (MYFFs) and their performance as pledging mechanisms. The report also identifies a few options alternative to the current arrangements. These recognize new opportunities for initiatives that may multiply the efforts to mobilize resources for operational activities for development, while strengthening the dialogue on these issues. A number of criteria are also suggested to assist the Assembly in selecting the most suitable arrangements.

* A/57/150.

** The report was submitted late to the conference services since it had to be finalized taking account of the work and conclusions of the operational activities of the United Nations for international development cooperation segment of the substantive session of 2002 of the Economic and Social Council, which took place in July 2002. The report was prepared in close consultation with the United Nations funds and programmes.

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I. Introduction

1. The present report responds to the provision of paragraph 26 of General Assembly resolution 56/201 of 21 December 2001 on the triennial comprehensive policy review of operational activities for development of the United Nations system, in which the Assembly requested the Secretary-General to submit, for consideration at its fifty-seventh session, a report presenting options alternative to the current modality of the annual United Nations Pledging Conference for Development Activities, including a regular pledging event.

2. The General Assembly requested that the report take into account the funding sessions convened under the multi-year funding frameworks (MYFFs) and the needs of other agencies of the United Nations system. It also called for adequate consideration of the appropriate timing of these pledging events. Finally, it requested that these options be conceived in their role of enhancing public support for operational activities for development of the United Nations.

II. Funding events and the United Nations Pledging Conference for Development Activities

3. Before 1977, it was common practice in the United Nations to organize pledging events for individual funds and programmes or for specific purposes. As part of an overall restructuring of the economic and social sectors of the United Nations system, the General Assembly, in its resolution 32/197 (annex, para. 31) of 20 December 1977 on the restructuring of the economic and social sectors of the United Nations system, decided to consolidate these pledging events into a single annual United Nations pledging conference for all United Nations operational activities for development. This new pledging mechanism was intended to advance the goal of increasing the resources for operational activities for development on a predictable, continuous and assured basis. The Pledging Conference was expected to induce peer pressure among donors, thereby generating a resource mobilization effect.

Modalities and functioning

4. In 1979, the General Assembly established rules and procedures for the pledging conferences. The United Nations Pledging Conference for Development Activities became a regular annual event, which took place early in November during the regular session of the Assembly. Initially, the Pledging Conference included three meetings over a period of two days, and its organization and servicing were, and still are, supported with resources drawn from the Second Committee. The Secretary-General or his representative opens the Pledging Conference.

5. The annual United Nations Pledging Conference for Development Activities serves as the sole mechanism through which Member States may announce pledges at the same time for a large number of funds and programmes.[1] A separate pledging conference takes place for the World Food Programme (WFP), which normally occurs back to back with the United Nations Pledging Conference for Development Activities and follows the same rules and procedures.[2] Before the introduction of MYFFs, the annual Pledging Conference was the only occasion where Member States gathered, announced pledges and made comments on issues related to funding of United Nations operational activities as a whole, even though not all resources were pledged at the Pledging Conference.

6. The initial modality of the Pledging Conference required, after the election of officers and the adoption of the agenda, that Governments' statements about their pledges be heard, followed by statements of the executive heads of the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) as well as other executive heads. Before closing, the Conference used to adopt a Final Act and representatives of each Government were called upon, in alphabetical order, to sign the pledge and the Final Act in the presence of the President and other officers of the Pledging Conference. As an accepted practice, additional pledges could be submitted in writing after the Pledging Conference was completed in order to accommodate the various budgetary schedules of all Member States.

7. That modality was partly modified in 1990, in General Assembly resolution 45/215 of 21 December 1990, which simplified the administrative arrangements

by replacing the written pledges and the formal signing of the Final Act with verbal pledges and the adoption of a simple report of the Pledging Conference, shortening the Pledging Conference itself to one day.

Effectiveness of the annual Pledging Conference

8. After more than 20 years, the value of this pledging mechanism has come to be questioned, even though there is no formal monitoring system to track performance in terms of actual attendance of donor countries in the pledging events, or their incidence in the resource mobilization efforts of individual organizations of the United Nations system. Some Member States have also questioned the validity of this pledging mechanism, since it does not bring any consideration of the use of resources vis-à-vis the objective pursued by the individual organizations. Before 1990, the Pledging Conference was an accepted mechanism for mobilizing resources to support operational activities for development with there being no clear evidence of a desire to change it.

9. Nevertheless, the modifications introduced in 1990 gave an indication that the original modalities had not been regarded as completely satisfactory, since that reform, in the search for better results and more interest among donors and developing countries, attempted to reinvigorate the Conference. With the new modalities, the meeting became less formal and more suitable for engagement in more active discussions by Member States. However, since then, both the level of participation by donor countries and the proportion of the total core or regular resources of the main funds and programmes pledged through the Pledging Conference have continued to decline.

10. It is now generally recognized that the long-term performance of the United Nations Pledging Conference for Development Activities has not met the original expectations. The Pledging Conference has not been able, either globally or for individual organizations, to mobilize sufficient regular resources. The long-term stagnation of funding for operational activities in the 1990s has tended to make it increasingly ineffective. The difficulties encountered by individual organizations in the same period indicate that this applies also to the mobilization of resources for each agency.

11. The table shows that the contributions to UNDP core resources fell 40 per cent from their peak of $1,074 million in 1992 to $634 million in 2000, a historic low. The UNICEF regular resource level of 2000 from all sources fell 4 per cent from its peak in 1999, and the agency has experienced a 20 per cent contraction in the regular resource support from Governments alone since the peak of government support in 1992. The UNFPA regular or core resource level of 2000 also contracted 24 per cent as compared with its peak of $312 million of 1996. This rapid erosion of the resource base of the United Nations operational activities for development was a direct result of the declining trend in official development assistance (ODA). Several studies[3] have revealed that the multilateral and voluntary nature of the United Nations operational activities made them prone to volatility when the general ODA was on the decline.

Contributions of Governments and other sources to the regular or core resources

(Millions of United States dollars)

	UNDP	*UNFPA*	*UNICEF*	*WFP*
1992	1 073.8	233.2	548.0	[a]
1993	909.0	217.0	509.0	[a]
1994	942.8	254.5	535.0	[a]
1995	911.0	305.0	537.0	[a]
1996	854.8	312.0	551.0	480.0
1997	766.6	285.0	547.0	348.8
1998	757.0	268.9	571.0	327.6
1999	681.3	244.1	589.0	1 512.6[b]
2000	634.1	256.4	563.0	1 532.1[b]

[a] No breakdown data on core resources available.

[b] The apparent increase in 1999 and 2000 is largely due to a change of rules for the definition of regular resources in WFP.

12. Although these trends can hardly be attributed to the malfunctioning of this pledging mechanism, it can be argued that the annual Pledging Conference has not performed as expected or, at least, has not been able to reverse those negative trends.

13. Not only have total resources mobilized for funds and programmes continued to stagnate but the proportion directly raised through the Pledging Conference has become marginal, especially after the

MYFFs had been adopted by the Executive Boards of UNDP/UNFPA and UNICEF. For UNFPA, for example, the total amount of resources raised through the Pledging Conference before 1999 accounted for between 20 and 30 per cent of the total funding of that organization, but for 2000 and 2001 that proportion declined to 0.71 per cent and 0.9 per cent respectively. Preliminary projections for year 2002 indicate that funds raised through the Pledging Conference of November 2001 will account for only 0.04 per cent of the total amount of contributions raised by UNFPA. Out of the 121 countries that pledged to UNFPA, only 25 announced their pledges at the Pledging Conference. Similar scenarios hold for UNDP and UNICEF. Likewise, the last United Nations/FAO Pledging Conference for WFP in November 2000 resulted in pledges of only $3.9 million, against a biennial target of $2.6 billion, that is to say, less than 1 per cent of the target. This is the reason given by the Executive Board of WFP in its decision WFP/EB.A/2002/10 for requesting that the General Assembly cease convening pledging conferences for WFP. The request reiterated that contained in a previous decision of the Board (WFP/EB.3/2000/13), which stated that "Pledging conferences have outlived their usefulness and should cease to be convened".

14. It has been recognized that funding of operational activities is increasingly concentrated on thematic programming through particular agencies, in many cases specific to regions and subregions, and this trend confirms that funding of those agencies takes place outside the Pledging Conference mechanism.

15. As the MYFFs were adopted in late 1999 and during 2000 as a full-fledged system integrating programme objectives, budgets, results and resources for UNDP, UNFPA and UNICEF, member States of the European Union (EU) stopped making pledges at the annual Pledging Conference, claiming that the Pledging Conference format was inefficient and should be replaced by another funding mechanism. Other donors (Australia, Canada, Iceland, Switzerland, Turkey and the United States of America) expressed similar views, claiming that the Pledging Conference duplicated other funding processes.

16. The causes of this ineffectiveness are threefold. First, in recent years, donors have tended increasingly to link their financial contributions to results, programme performance and aid effectiveness. Since the Pledging Conference does not provide any mechanism for tracking performance in the use of resources, comparison of planning scenarios or allocation of resources by objectives or result-oriented reporting, donors tend to consider "pledging" alone an incomplete exercise.

17. Second, the recently established MYFFs and the reformulated resource mobilization strategy for WFP, which donors are closely involved in and are willing to continue working on, cast further doubt on the potential usefulness of the annual Pledging Conference in the way it has so far been organized.

18. Lastly, the expected peer pressure that should have encouraged each donor to make pledges in the Pledging Conference by taking account of the possible reactions of the other Member States has in practice turned out to be a non-factor. Contributions are decided thousands of miles away from New York on the basis of complex considerations, and the practical influence of the "peer pressure effect" on those considerations seems to be very limited.

19. The Pledging Conference has recently lost the support and meaningful participation of most major donors. In general, participation in the Conference has continued to decline. At the last Pledging Conference for Development Activities of 7 November 2001, only 61 countries[4] attended. Very few donor countries were present at the meeting[5] and none of the major donor countries made any pledges. Countries that made pledges were India, Myanmar, Thailand, Tunisia, Morocco, Maldives, Mongolia, Egypt, Algeria, the Russian Federation, Bolivia, Cuba, Mauritania, Jordan, Bhutan, Djibouti and Saudi Arabia.

20. The format of the Pledging Conference is considered outdated and, apart from the concerns about duplication and inefficiency, its modalities are often considered rigid and its timing inconvenient or incompatible with the budgetary cycles of major donors.

21. Although the decline in attendance at the annual Pledging Conference cannot be blamed for the trends in funding for operational activities, it is indicative of the fact that the effectiveness of the Pledging Conference for Development Activities as a mechanism to raise funds has been seriously undermined and that the Pledging Conference has failed to galvanize political support and mobilize adequate resources for most funds and programmes, signalling that there is a need for reforms in this area.

22. The United Nations Pledging Conference for Development Activities covers a large number of organizations,[6] while existing MYFFs have been introduced by a limited number of funds and programmes. Nevertheless, the poor performance of the annual Pledging Conferences applies not only to organizations such as UNDP, UNICEF and UNFPA, which have adopted the MYFFs but across the board, with no distinction of target funds or organizations contemplated in these annual meetings. The latest two editions of the Pledging Conferences show that traditional donors did not submit pledges not only to the big funds and programmes but also to the other funds. Only minor non-traditional donors (that is to say, developing countries) have been using these annual meetings to announce their pledges for all funds and programmes, although they represent a minor and marginal fraction of the funding of those entities.

23. It should also be recalled that, being part of the regular session of the General Assembly, the Pledging Conference has a major institutional visibility and potentially offers the widest participation to all States Members of the United Nations. Indeed, many Member States view this pledging mechanism not only as an activity to generate resource flows but also as an occasion that has a political value as well, taking place as it does during the Assembly. Moreover, as noted in paragraph 31 of the annex to Assembly resolution 32/197, from this perspective the Pledging Conference does not exhaust all options for resource mobilization, but should be seen "without prejudice to other arrangements for mobilizing additional funds for particular programmes through other measures or from other sources and subject to provision being made for the earmarking of contributions for specific programmes".

III. Multi-year funding frameworks and their pledging component

24. In response to General Assembly resolution 50/227 of 24 May 1996 and Economic and Social Council resolution 1997/59 of 24 July 1997, the United Nations funds and programmes carried out reviews of their funding strategies and resource mobilization mechanisms. Following the Secretary-General's reform plan of 1997, the review eventually led to the launch — as a pilot — of the MYFFs. The Executive Boards of UNDP/UNFPA and UNICEF provided guidance in the formulation of their MYFFs and their adoption[7] for a four-year cycle, with the aim of increasing their core resources on a predictable, continuous and assured basis. The Executive Board of WFP approved its own governance tools in October 2000 with all the elements comparable with those of the MYFFs, though they do not bear the same name.

25. Despite their slight variances, all MYFFs have in common the aim of increasing core resources and enhancing the predictability of funding by seeking to integrate programme objectives, resources, budgets and outcomes (or results). In the case of UNDP and UNFPA, the MYFF consists of a results framework and an integrated resource framework. It is not merely a resource mobilization mechanism but also a strategic management tool, which utilizes the annual result-oriented report and other management tools as a means to assess the strategic performance of the organization concerned. Representing the aggregate of the countries' demand for support, the MYFF exercise enables Member States to examine funding needs of the organization together with the effectiveness and impact of its programmes.

26. Although the UNICEF multi-year funding framework specifies its component elements in a different way (entailing the four-year medium-term strategic plan, the biennial support budget, an analytical annual report by the executive head, a pledging conference and consultations with Governments), it has the same goal and approach as the other MYFFs.

27. One element of the MYFFs is an annual funding meeting, which does not, however, have the prominence of the annual Pledging Conference of the General Assembly and little attention is given to the way in which pledges are communicated to the organization concerned.

Performance of MYFFs as pledging mechanisms

28. Implementation of MYFFs by UNDP, UNFPA and UNICEF, at least in 2001, may have prevented the regular resources from further sliding, although the picture in 2002 appears to be mixed, with UNDP currently projecting a slight increase of regular funding over 2001[8] and UNFPA registering a decline of 12 per cent in its regular budget.

29. As in the case of the Pledging Conference, the effectiveness of the MYFFs cannot be assessed on the basis of trends in funding for operational activities alone, since these trends may reflect factors that are external to their functioning.

30. Nevertheless, MYFFs have proved to be dynamic mechanisms that have attracted a considerable number of donors in their respective pledging processes. In the case of UNDP, 26 countries increased their contributions in 2001. In 2002, at least 24 countries have raised their pledged commitments to regular resources, showing in many cases sustained increases for two to three years. It is anticipated that at least 11 Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) donors will increase their contributions in 2002 in local currency terms although 1 donor reduced its contribution this year. In terms of predictability of funding, 11 countries have made indicative pledges for 2003 and 4 countries for 2004. In all cases, the amount pledged for 2003 and 2004 is at least at the same level as that of 2002 (subject to government or parliamentary approval).

31. As regards UNFPA, the total flow of contributions forecast for 2002 amounts to $310.9 million, which includes regular resources at $235.9 million, in other words, a decrease from 2001 equal to $32.8 million (12 per cent). Among the top 16 donors contributing to this organization with 1 million dollars and above, 2 countries have not made formal pledges yet, 8 countries have increased the level of contributions in both national currency and United States dollar terms and 3 countries have maintained their contributions at the 2001 level in national currency terms. Two countries have decreased their pledges and one donor has decided to withdraw its contribution.

32. In the last pledging event of UNICEF, in January 2002, 51 countries pledged or indicated tentative pledges, which includes 20 donor countries and 31 programme countries. Forty-three Governments gave firm pledges of which more than a quarter increased their contributions in 2002. Of these increases, eight members of OECD/DAC indicated increases and four of these increased by 7 per cent or more.

33. Compliance with payment schedules has also registered some improvement in the cases of all three funds and programmes following the adoption of the MYFFs.

34. In spite of these positive effects of MYFFs, the reversal of a declining trend and a slight growth in the regular or core resources of the funds and programmes, the pledges still remain far below the targets set by the Executive Boards. Regular resource funding needs to be significantly increased if the funds and programmes are to deliver results that are commensurate with the development challenges of the new millennium.

35. Nevertheless, the introduction of MYFFs represents a critical first step in revitalizing the broader commitment to regular resource funding. While non-core funding is clearly an integral part of the available resources and supplements, in many ways, but is not a substitute for the inadequate regular resources, one of the underlying principles of the MYFFs is to recognize the fundamental importance of a sustained increase of regular resources and of the need to promote multi-year pledging to enhance predictability of funding.

36. While it may be too early to make any conclusive judgement on the effectiveness of the MYFFs in raising resources, there are concrete signs that political support to the MYFF system is building up as several Member States have made multi-year pledges and the dialogue between them and the concerned funds and programmes around funding, programmes and results is improving.

37. It should be noted that MYFFs are not adopted by all United Nations funds and programmes, or most of the remaining organizations of the United Nations development system. Moreover, the pledging event of individual MYFFs regards the funding situation of one organization only and does not allow for a comprehensive policy exchange on funding for operational activities for development of the United Nations system as a whole.

IV. Conclusions and recommendations

38. During the 2001 triennial comprehensive policy review of operational activities for development of the United Nations system, diverging views were expressed about the abolition or continuation of the annual Pledging Conference and about the capacity of the MYFFs to replace it through their pledging events. The General Assembly requested the Secretary-General

to identify options alternative to the current modality of the annual Pledging Conference.

39. The debate thus far has focused on two alternatives: on the one hand, there is the view that the annual Pledging Conference is no longer an acceptable mechanism since it does not link "pledging" announcements with the assessment of development cooperation programmes or results obtainable through the use of those resources. Therefore, MYFFs are suggested as the most suitable alternative. Such a position seems to be based on the implicit assumption that the pledging event is merely a process of communicating a financial commitment, and this communication does not require the formality or publicity involved in the Pledging Conference.

40. On the other hand, it has been stressed that the Pledging Conference has a political value, as a potential vehicle through which to draw the attention of policy makers, media and eventually interest groups of both donors and recipient countries through a policy exchange on funding operational activities for development of the United Nations system. These aspects of visibility and political impulses are not necessarily associated with the current MYFFs, even if the latter present clear advantages as mechanisms for strategic planning and multi-year funding of individual organizations.

41. Clearly, an effort needs to be made to bridge these divergent views by developing approaches that could encompass the two key elements of political visibility and programmatic accountability. Indeed, recent efforts by United Nations funds and programmes to promote public initiatives that address resource mobilization in a wider context indicate that there is room for events other than those internal to MYFFs to increase awareness for sustained action in resource mobilization, even though these additional events may or may not have a concrete "pledging" dimension. A typical example is the ministerial meeting that UNDP organized in September 2000 in conjunction with the Millennium Summit. The campaign for the millennium development goals is another example of an initiative that has a clear resource mobilization dimension for development, based on collaboration with a wide range of partners, extending well beyond the United Nations system, mobilizing their commitments and capabilities, building awareness and galvanizing public opinion in support of action on priorities, policies and resource allocations.[9] Finally, the follow-up to the International Conference on Financing for Development, held in Monterrey, Mexico, may open new paths for the mobilization of resources in the broader context of development financing for United Nations system operational activities for development.

42. **It is clear that the existing annual United Nations Pledging Conference for Development Activities, which has been in existence since 1979, has not been effective. The General Assembly may therefore wish to consider alternative mechanisms that take into consideration the positive aspects of the current mechanism as well as the need to introduce ways of linking resource mobilization to performance assessment.**

43. In looking at possible alternatives, it may be useful to bear in mind the following criteria:

- The arrangements should be planned within the context of United Nations priorities (implementation of the millennium development goals, and follow-up to the outcomes of major United Nations conferences, such as the Monterrey Consensus of the International Conference on Financing for Development[10]) and also linked to specific development issues.
- They should take into account the need for a multi-year perspective in funding of operational activities with the preparatory process following the practice of results-based reporting adopted for the existing MYFFs.
- There is the need to ensure that there would be high political and public visibility, involving all the key stakeholders from Governments, the United Nations system and other sectors, as well as a commitment of the major actors in resource mobilization and allocation.
- Any new arrangements should not be focused solely on pledging of resources but should also address the effectiveness of operational activities for development, combining sustained advocacy with demonstration of results.
- As the participation of key officials from the ministries of finance and development would be crucial, the new arrangements should be linked to ministerial meetings associated with the General Assembly and Economic and Social Council or high-level meetings organized at the individual agency level.

- Prior consultations should be held with Member States, at the policy and technical levels, to prepare for such events with the primary objective of generating support for specific priority development issues.
- The new arrangements should take account and address the needs of all the organizations of the United Nations system.

44. With the above criteria in mind, the General Assembly may wish to consider the following alternative arrangements and mechanisms.

A series of pledging events under the MYFFs within a single time frame

45. **A series of separate pledging sessions could be held sequentially under the MYFFs for UNDP, UNFPA and UNICEF in a single time frame. The event could be organized in the context of a joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF or as part of each individual Executive Board meeting within a harmonized time frame. A fourth session could be organized for those funds and programmes that do not yet have MYFFs. The pledging event would continue to be an integral part of the MYFF process and of the dialogue on programmatic results.**

46. The organization of pledging events under MYFFs in a single time frame as part of the annual sessions of the Executive Boards would reinforce the political support of Member States as well as attract more support from major donors who are likely to make pledges of financial support when resources are seen as directly related to the achievement of results over a multi-year period.

47. While the MYFF approach is not yet universally adopted by all organizations, with only a few having done so to date, the introduction of the proposed option would be expected to encourage other programmes and funds to adopt the MYFF concept as well.

48. It should be noted that funds and programmes resort to additional resource mobilization efforts beyond the MYFFs. These include the convening of ministerial or other high-level meetings; visits to donor capitals by the executive heads; annual policy and programme consultations with donors; and advocacy at national, regional and international forums.

High-level events involving the larger community of international development cooperation

49. The series of pledging events proposed above under the MYFF mechanism should not exclude the adoption of other options, which would increase awareness and generate political support for resource mobilization. **The General Assembly may therefore wish also to consider an event or events that would serve as a high-level forum within the United Nations where development cooperation issues, the funding of operational activities for development of the United Nations system and the impact and effectiveness of development assistance could be debated in an integrated and holistic manner**. Such an option would recast and reinvigorate the original purpose behind the annual Pledging Conference and allow for a wider participation by Member States. It would provide a platform for policy dialogue on the complementarity between funding of operational activities of the United Nations funds and programmes and other sources of development funding and their integration with domestic efforts to finance development.

50. The participation of high-level government representatives and of the executive heads of United Nations funds and programmes, as originally envisaged for the Pledging Conference, would be important. Such events would also have a strong advocacy dimension to help generate the required political support at the highest level and include a role for civil society. It could also be highly publicized through extensive media coverage. The fundamental aim would be to put in place a relevant and effective arrangement that would offer a more appealing option for increased voluntary contributions in support of operational activities. **The event or events proposed could take place within one or more of the following formats.**

Operational activities of the United Nations for international development cooperation segment of the Economic and Social Council

51. Since 1995, the Economic and Social Council has reviewed annually the progress in the implementation of the General Assembly resolution on the triennial comprehensive policy review. There is a broadly shared

view among some Member States that the oversight role of the Council in monitoring the resources situation of the United Nations funds and programmes should be further strengthened. Indeed, the Assembly has mandated the Council to monitor their resource situation.[11]

52. **The General Assembly may wish to consider mandating the Economic and Social Council to devote one session of the high-level meeting of the operational activities of the United Nations for international development cooperation segment to serving as an event where a substantive dialogue on funding of operational activities could take place. The rest of the high-level meeting of the operational activities segment could be devoted to a high-level policy exchange on development cooperation issues, focusing on policies, effectiveness and outcomes of the operational activities**. This opportunity for combined debate on policies, results and resources could be in parallel with the proposed approach through the MYFF mechanism. The devotion of a visible, high-level event to the funding of operational activities could generate benefits for resource mobilization even though it might not include a "pledging" event in the traditional sense.

High-level event on funding for operational activities for development in the context of the General Assembly

53. **The creation of a high-level event under the aegis of the General Assembly would be an option that responds to the call for strong political visibility and for the participation of all Member States. Such an event could be held in conjunction with the triennial comprehensive policy review of operational activities for development of the United Nations system conducted by the Assembly**. This arrangement would have the advantage of giving renewed emphasis to the issue of resources as well as linking the consideration of funding issues with the debate on broader development cooperation policy and programme questions of the United Nations system.

54. **Another possibility would be to consider organizing a high-level event in conjunction with the biennial high-level dialogue on strengthening international economic cooperation for development through partnerships of the General Assembly**. This would have the benefit of placing the discussion of funding of operational activities within the broader context of trends and dynamics in financing for development. However, there is a potential risk of overloading this biennial high-level dialogue and this possible option should be considered in the context of the Assembly's deliberation on the report of the Secretary-General (A/57/388) on the high-level dialogue on strengthening international economic cooperation for development through partnership, which is being submitted to the Assembly at its current session. **Member States may also wish to discuss the issue of funding for operational activities during the Assembly's deliberations on the Secretary-General's report (A/57/270) on the implementation of the United Nations Millennium Declaration**.

55. **The various mechanisms and options outlined above are not mutually exclusive and the General Assembly may wish to select one or more of the mechanisms, reflecting the collective preferences of Member States with a view to agreeing on a more effective approach as an alternative to the existing pledging mechanism**.

Notes

[1] The funds and programmes receiving contributions from donor countries through the United Nations Pledging Conference for Development Activities have numbered about 20, with slight changes over the years. In the last Pledging Conference in 2001, funds and programmes that received contributions were the United Nations Development Programme, the United Nations Children's Fund, the United Nations Population Fund, the World Food Programme, the United Nations Capital Development Fund, the United Nations Development Fund for Women, the United Nations Volunteers — Special Voluntary Fund, the United Nations Trust Fund for the International Research and Training Institute for the Advancement of Women, the United Nations Habitat and Human Settlements Foundation, the United Nations Environment Programme, the Office of the United Nations High Commissioner for Refugees, the Fund of the United Nations International Drug Control Programme, the United Nations Crime Prevention and Criminal Justice Fund, the United Nations Institute for Training and Research, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Voluntary Fund for Victims of Torture, the Trust Fund for the Support of the Activities of the Centre for Human Rights, the United Nations Trust Fund for the Second Transport and Communications Decade in Africa, the United Nations

Trust Fund for African Development, and the United Nations Office to Combat Desertification and Drought. Some of these funds are directly administered by the United Nations Development Programme.

[2] The United Nations/Food and Agriculture Organization of the United Nations (FAO) Pledging Conference for the World Food Programme (WFP) takes place every other year, after the pledging conference for the other United Nations funds and programmes and is convened by the Secretary-General, in cooperation with the Director-General of FAO. (See, for example, para. 3 of General Assembly resolution 50/127 of 20 December 1995.)

[3] For example, the reports of the Secretary-General contained in A/48/940 and A/49/834.

[4] As compared with 124 countries in 1997, 95 in 1998 and 93 in 1999 and 2000.

[5] New Zealand, Norway, Sweden and the United States of America.

[6] See note 1 above.

[7] Decision 98/23 of the Executive Board of UNDP/UNFPA (see *Official Records of the Economic and Social Council, 1998, Supplement No. 16* (E/1998/36), annex I) set out the basic principles and purpose of the core funding strategy, and its decision 99/1 (ibid., *1999, Supplement No. 15* (E/1999/35, annex I) reinforced the earlier decision by encouraging UNDP in developing the integrated elements of the MYFF. Similarly, the MYFF of UNFPA was developed by the Executive Board of UNDP/UNFPA in its decisions 98/24 (ibid., *1998, Supplement No. 16* (E/1998/36), annex I) and 99/5 (ibid., *1999, Supplement No. 15* (E/1999/35), annex I). The UNICEF Executive Board adopted its MYFF by its decision 1999/8 (ibid., *1998, Supplement No. 15* (E/1998/35/Rev.1), annex). For further details about the origin of the MYFFs and the resource mobilization strategy of WFP, refer to the report of the Secretary-General (A/56/70-E/2001/58) entitled "Progress in the implementation of the multi-year funding frameworks and evaluation of the United Nations Development Assistance Framework".

[8] The total income for UNDP and its associated funds and programmes rose by $220 million (or 9 per cent) in 2001 to $2.6 billion, the highest level achieved to date. For the first time, income from all sources grew. Regular or core resources reversed their seven-year downward trend, growing by some 3 per cent to $652 million. Third party co-financing — which comprises funds emanating from the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) countries and other parties, including the European Commission, for programmes and projects — grew by 19 per cent, bringing the total contributions to UNDP from donors to $1.3 billion. Programme country cost-sharing — which includes resources that programme countries entrust to UNDP to manage in support of their own development programmes — also rose by 14 per cent to 1.1 billion dollars.

[9] This campaign is complementary to the efforts that directly aim at mobilizing resources for operational activities for development of the United Nations system and — given the increasing role of the system in assisting developing countries in pursuing the millennium development goals — there is an evident link between these two types of mobilization efforts.

[10] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[11] See para. 11 of annex I of General Assembly resolution 50/227.